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INFO RUEAIIA/CIA WASHINGTON DC 0000
RUCPDOC/USDOC WASHINGTON DC 0000
RUEKJCS/SECDEF WASHINGTON DC
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SIPDIS

SENSITIVE SIPDIS TEL AVIV FOR MICHAEL KEAYS POL

E.O. 12958: N/A TAGS: <u>ETTC KOMC</u> <u>IS</u>

SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK

ON APPLICATION 050093749

REF: A. IIR 7 739 0806 07 <u>1</u>B. 7 739 0803 07

¶C. BLUE LANTERN GUIDEBOOK 2006

- 11. (U) This is an Action Request. See paragraphs 2-4.
- 12. (U) The Department's Office of Defense Trade Controls Compliance (PM/DTCC) requests post's assistance in conducting a pre-license check on application 050093749 for the export of brush DC motors to Israel. Post is requested to complete this Blue Lantern check within 30 days. Lack of response to a Blue Lantern check will affect pending and future applications involving parties to this license.
- 13. (SBU) Reason for request: unfamiliar watchlisted foreign consignee and unfamiliar foreign intermediate consignee. Foreign consignee Bental is on PM/DTCC's Watchlist, and its bona fides have never been verified by a Blue Lantern check. Refs A and B also raise concerns. PM/DTCC is also unfamiliar with foreign intermediate consignee Servotronix Ltd. Post should make appropriate inquiries to verify the bona fides of Bental and Servotronix, assess the companies' ability and willingness to protect United States Munitions List (USML) technology, confirm the legitimacy of the proposed transaction, and determine whether any other foreign parties not listed on the license application will be involved in the proposed transaction. The following questions are provided as suggested guidance:

For the Israel MOD:

- -- Are you familiar with Bental and Servotronix Ltd.?
- --Did you order from Bental and Servotronix the exact type and quantity of items listed on this application? For what purpose will the parts be used? Who will perform the repairs of turret control engines on the Merkava MK 3 tank?
- --Are Bental and Servotronix official suppliers/contractors for the Israel MOD? Does the Israel MOD have any other contracts with the company?

For Bental and Servotronix:

- --Does the company have proper supporting documentation, including purchase orders from the Israel MOD, for this proposed transaction?
- --What will happen with the parts once they arrive in Israel? Who will perform the repairs of turret control engines on

- --Will the company be handling or storing the items listed on the application? If so, does it have secure facilities and proper accounting and security procedures for handling these sensitive USML items?
- --When was the company established and who are its principals?
- --What is the nature of its business -- what types of items does it handle, does it serve as a broker?
- --What types of organizations are among its typical customers and where are the customers located?
- --Does the company understand the restrictions on United States Munitions List (USML) items, especially the prohibition against unauthorized re-transfers and re-exports?
- 14. (U) Department requests that post conduct site visits to the companies in order to provide Department with an assessment of their business operations and on-site security. If site visits are not possible, please inform PM/DTCC case officer. Finally, post is asked to assess whether the companies appear to be reliable recipients of USML items. End action.
- ¶5. (SBU) For background, the following details of the license in question are provided:

DTC Case: 050093749

QUANTITY/COMMODITY:

47 QTG-1701-A Brush DC Motor with Tachometer
1 Documentation Package

License Value: USD 44,240.00

SELLER:

Danaher Corporation 2099 Pennsylvania Avenue NW, 12th Floor Washington, DC 20006 Tel.: 540-633-5572

Subsidiary:
Kollmorgen Corporation
501 W. Main Street
Radford, VA 24141
Tel.: 540-633-5579
Company contact: Carolyn Richards

FOREIGN CONSIGNEE:

Bental Kibutz Marom PO 12436 Golan North Golan Israel

FOREIGN INTERMEDIATE CONSIGNEE:

Servotronix Ltd. (aka Danaher Motion Israel) Deniv Park 21C Yagia Kapayim St. Petach Tikva 49130 Israel

FOREIGN END-USER:

Israel Ministry of Defense Hakirya Tel Aviv 61909 Israel

PURPOSE:

Repairs of turret control engines on the Merkava MK 3 (tank)

- 16. (U) Submitted in support of the license application were the following documents (PM/DTCC can fax documentation to post upon request):
- --Cover letter from Danaher Motion explaining proposed transaction, signed by Rob Miller, Account Manager, International, Kollmorgen Aerospace and Defense (Division of Danaher Corporation), dated March 10, 2008
- --Purchase order DS800052 from Danaher Motion Israel (Servotech) to Danaher Motion, signed by Efrat Yefet, dated 17 January 2008
- --End-user statement, signed by (illegible), Danaher Motion Israel (Servotech), dated 17/02/2008
- -- Technical drawing and specifications
- 17. (U) Please slug reply for PM/DTCC BLUE LANTERN COORDINATOR and include the words "Blue Lantern" and the case number in the subject line. POC is Judd Stitziel, PM/DTCC, Phone: 202-663-3455; email: StitzielJD@state.gov; SIPRNET: StitzielJD@state.sgov.gov. The Blue Lantern Guidebook (ref C) is available as a PDF file in the Bunche Library's Electronic Library collection on the DOS Intranet: http://virtuallibrary.state.gov/BlueLanternGuidebook2006%2520 final .pdf
- $\P 8.$ (U) Department is grateful for post's assistance in this matter. RICE